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MAY 20, 1963

QUALITY—THE KEY
TO TOBACCO EXPORTS

PROMOTING
FARM PRODUCTS
IN THE FAR EAST



FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MAY 20, 1963

VOLUME 1 • NUMBER 20



Hogsheads of tobacco are being hoisted aboard ship at Charleston, S.C. Destination: an importer with an eye to quality.

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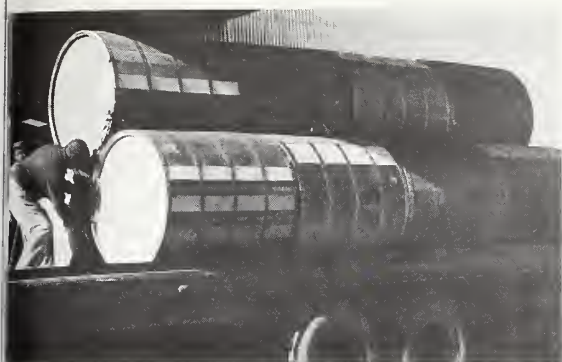
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Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is \$5.50, domestic, \$8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.



QUALITY—THE KEY TO TOBACCO EXPORTS

By HUGH C. KIGER
*Tobacco Division
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A reputation for quality is priceless. It helps Switzerland sell its fine watches everywhere in the world. It helps other countries sell their quality products—Germany, its cameras; France, its champagne; Colombia, its coffee. By the same token, a reputation for quality has made it possible for the United States to maintain its role as the world's largest producer and exporter of tobacco.

If quality were not an important factor in the world tobacco market we would have lost out in the export market years ago. Many foreign countries in the tropical and semitropical areas of the world can produce almost unlimited quantities of low-quality, low-price tobacco.

Fortunately for the United States, tobacco manufacturers abroad consider quality as well as price when making purchases of leaf. Consumers throughout the world are demanding better quality tobacco products. Consequently, foreign manufacturers are anxious to buy good tobacco at competitive prices.

Tobacco grown in the United States over the years has been noted for its superior quality. As a result, high-quality cigarettes in most countries of the world have been made solely from U.S. leaf or from blends of U.S. leaf with domestic or other imported leaf.

U.S. leaf still on top

The United States has the soil, climate, research program, promotion program, and know-how to produce tobacco that is far superior in quality to that produced in any other area of the world. United States leaf has excelled in nearly all phases of smoking and manufacturing qualities, including flavor and aroma.

World cigarette output in 1962 probably exceeded 2,400 billion pieces. This was a new record—about 50 percent larger than the average for 1951-55. Cigarette smoking continues to gain in practically every country of the world. We expect it to continue to increase—although not at the rate of the past decade. During the past few years the annual rate of gain has been between 4 and 5 percent annually. Even with a smaller rate of gain during the next decade, world output of cigarettes in 1975 is likely to

be about one-third larger than the present level. During the next 30 years, world cigarette output may reach 5,000 billion pieces.

This increased world cigarette output will be reflected in both larger world production and increased international trade in tobacco.

As populations increase and consumer purchasing power generally improves, there will be a greater demand for more better quality cigarettes. That, of course, could mean a wider use of U.S. cigarette tobaccos.

A healthy and expanding export market is of vital importance to U.S. tobacco producers. About one-third of our total tobacco crop and about 40 percent of the U.S. flue-cured crop move to overseas markets in the form of leaf and tobacco products. Thus the export market provides an outlet for the output of 2 out of every 5 acres in the flue-cured area. Any decline in this export market would not only reduce the income of flue-cured tobacco producers but would also have an adverse effect upon the entire economy of the Southeastern States.

Quality off in 1962 crops

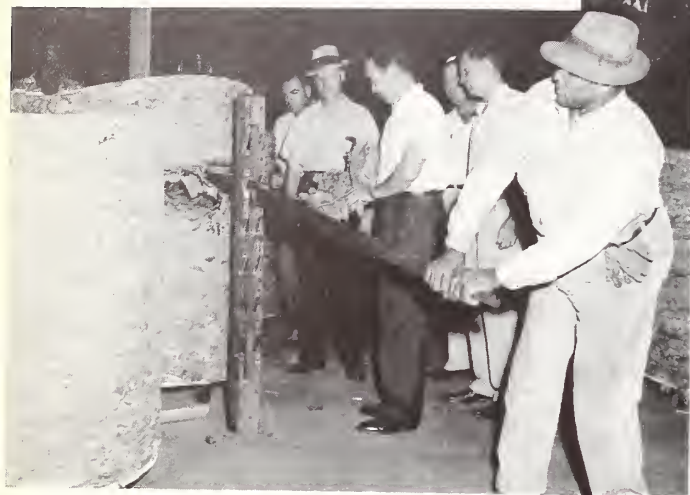
The 1962 crop of flue-cured tobacco contained a larger than normal percentage of tobacco of lower quality. This was due largely to a number of cultural practices which adversely affected quality. This decline in quality has reflected itself in lower sales on the export market. During calendar 1962, exports of U.S. flue-cured were 375 million pounds, which was 6.8 percent below the 1961 level. During the period July 1962-February 1963, U.S. exports of flue-cured tobacco were about 270 million pounds, which was 16.6 percent below the level for the comparable period during fiscal year 1962.

Canada and Rhodesia also produced flue-cured crops during the past season which contained a larger than normal amount of poor-quality leaf.

Frosts and poor weather in Canada resulted in a relatively poor crop and, consequently, serious marketing problems. Canada recently announced that its flue-cured acreage for 1963 would be about 20 percent below the 1962 level.

Excessive rains were a factor in production of a relatively poor-quality flue-cured crop in Rhodesia. Reports indicate that a high percentage of the crop contains tobac-

Quality-conscious farmers, right, crop from the bottom as leaves mature. Below, warehouse worker prizes open a stripped hogshead of redried flue-cured so buyer can see if it is up to sample.



co that is thinner, paler, and lighter than normal. This has tended to affect prices adversely during the early part of the marketing season.

U.S. tobacco producers and exporters realize that quality unquestionably is the key to our tobacco export future. In order to improve the quality of U.S. tobacco and keep it well above that of competitors, the United States has recently taken action to encourage the production of high-quality leaf and help insure its reputation for producing the world's finest flue-cured tobacco:

Discount Variety Program.—The Department of Agriculture will continue the discount variety program on flue-cured tobacco during the 1963 crop year. This is a program to discourage the production of less desirable and lower quality tobacco produced from certain varieties. Two additional varieties—Coker 316 and Reams 64—have been added to the discount list. Discount varieties are supported at one-half the price support level for other varieties. Farmers have been urged to plant varieties which will produce high-quality leaf.

Release of New Varieties.—A five-State, industry-wide committee of professional tobacco men recently accepted a proposed procedure for assuring the minimal acceptable quality for future flue-cured tobacco varieties. All flue-cured tobacco breeders, both public and private, have agreed to the new set of quality standards governing the release of new varieties.

The committee recommended that two varieties, Hicks Broadleaf and N.C. 95, be used as quality standards in evaluating new varieties. Chemically, new varieties should

be within 15 percent of the average of Hicks and N.C. 95, and they should compare favorably on the basis of taste and physical characteristics.

Breeders have agreed to screen their plant material according to quality standards outlined, and to submit their breeding lines for 2 years of regional field testing.

Adoption of the recommendations will help assure acceptable quality for future leaf varieties and give U.S. flue-cured leaf a boost in world markets.

Appointment of Advisory Committee.—The National Tobacco Industry Advisory Committee was appointed November 2, 1962, to review existing tobacco programs and recommend necessary changes, or legislative proposals, to continue to assure stable supplies and favorable prices to tobacco producers. The Committee, whose 40 members represent all segments of the tobacco industry, will meet periodically to consider broad industry problems and make recommendations to the Secretary of Agriculture.

Program To Discount Low-Quality Tobacco.—The Secretary of Agriculture recently announced that grade standards and price supports now in the process of revision will reflect quality according to present market standards and consumer preferences. Tobacco in the lower grades will be supported at a low price level.

Low supports for low quality

The Department emphasized that quality tobacco will be supported at a strong price and poor tobacco at a low price. It urged farmers to use approved varieties and follow sound cultural practices, and noted that the farmer who tries to produce a big crop and gets poor quality will find his income cut sharply next summer.

American tobacco farmers have a big stake in the export market. They are now keenly aware of the fact that this market can be expanded if they produce ripe, grainy, full-bodied tobaccos for which there is a strong demand by foreign manufacturers.

U.S. tobacco still retains its preeminence as the best available leaf in the world. However, to maintain and expand the foreign market for U.S. leaf, we need to widen the qualitative gap between U.S. tobaccos and their world competitors. U.S. farmers can't afford not to place emphasis on the production of high-quality leaf.

Promoting Our Farm Products in the Far East

Strategic politically and economically, the Pacific area is also highly important as a source of farm products and as an outlet for ours.

This is the second of two articles on U.S. agricultural trade in the Far East. Both were taken from the statement made last month by Raymond A. Ioanes, Administrator, Foreign Agricultural Service, before the Senate Commerce Committee.

Despite the greatly varied purchasing capabilities in the Pacific area, we are carrying out a broad and active market promotion program in which we have an eye on both present and future sales opportunities.

The economic miracle that has happened in Japan can be repeated elsewhere. The Republic of China, also known as Taiwan or Formosa, is a current example. Taiwan has been buying large amounts of U.S. cotton, wheat, soybeans, and other products under Title I of Public Law 480, with payment in its own currency. By the end of 1964 we hope that Taiwan will be able to terminate Title I programing and instead become a commercial customer for our farm products.

Our market development work in the Pacific is part of a worldwide effort in which the U.S. Department of Agriculture has the cooperation and participation of leading agricultural and trade groups. One such is Western Wheat Associates. The California fruit people also are active cooperators—Sunkist Growers, Inc., the California Prune Advisory Board, the California Raisin Advisory Board, the Dried Fruit Association of California, and so on. Also, there's the Oregon Seed Council and the Pacific Seed Export Market Institute, to show the variety of endeavors.

The Pacific area ranks importantly in money and effort put into our market development work. Last year, over 18 percent of our market development expenditures were in the Pacific area. Since the cooperative program began in 1955, over 28 percent of expenditures have been in the Pacific area. Our most active market programs in the Pacific area are in Japan, India, Thailand, and Pakistan.

Our market promotion program in Japan is generally

considered the best balanced and most effective of any. I mentioned the wheat program earlier. The cotton program also has been successful. The Japanese cotton spinning industry quickly adopted promotional techniques used successfully in the United States and also developed some new ones of its own—which we, in turn, are borrowing and passing on elsewhere in the world. Japan's cotton textile industry this year is spending \$830,000 of its own funds in promoting cotton use within Japan, in addition to funds administered jointly with our Cotton Council International.

Our current success story in the work involves raisins. California-style raisin bread has caught on in Japan so thoroughly that Japan has become the leading foreign buyer of American raisins.

Other programs in Japan are successful, too. The market promotion work gets major credit for the 50-percent increase in our soybean exports to Japan from 1957 to 1962. Promotion of leather products is helping our hides and skins market in Japan. Our poultry, tobacco, and fruit cooperators also are having favorable impact. The work of our Feed Grains Council is helping to make Japan one of our major markets for feed grains. Next month we will give this market another boost with a Feeds Symposium and Exhibit at the new U.S. Trade Center in Tokyo.

Import controls prevalent

Where we are trading with the highly developed countries, such as those of Western Europe, we must place the matter of market access high on our priority list. It is obvious that we cannot promote a product or sell a product successfully until a country permits that product to enter. This matter of access, of course, lies behind the serious confrontations that we are making today to the European Common Market.

It is difficult for a wealthy advanced country to make a

Modern textile mill, Tokyo



rational defense of strict import controls. However, the low-income, newly developing countries—such as those of the Pacific area, with the outstanding exception of Japan—have little choice but to carefully guard their meager exchange and direct it toward internal growth. If they did not do this, they would remain at a standstill with little prospect for the future.

We regret the highly restrictive import systems that exist throughout most of the Pacific area but at the same time we understand the current necessity. Our hope is that these countries can gradually progress, as Japan has done and Taiwan is doing, so that import restrictions imposed for balance of payment reasons can progressively be lifted. As a matter of fact, most of these countries are members of the General Agreement on Tariffs and Trade (GATT) and have agreed to such relaxation as improved conditions permit.

We must be realistic and acknowledge that trade liberalization can come no faster than economic development. This means that trade liberalization, for many Far Eastern countries, is bound to come slowly.

In the period ahead we will be negotiating for the first time under the Trade Expansion Act of 1962. In these negotiations, it will be the intention of the United States to negotiate agricultural and industrial tariffs as a single package. Obviously, this will have definite advantages as we negotiate with industrialized areas such as Japan and Western Europe. These countries want to improve their access to our markets for their industrial products. We want to improve our access to their markets for our agricultural, as well as industrial, products. We have a basis for swapping concessions.

But many of the less developed countries of the Pacific area have little to export other than agricultural raw materials. In negotiations with us, they will have relatively fewer concessions to offer. From a practical viewpoint, the Trade Expansion Act will not offer the same degree of opportunity to improve our agricultural exports to the less developed parts of the Pacific area that it does to the industrialized nations.

This does not imply any weakness or lack of dynamism in the Trade Expansion Act itself. This act was designed to encourage, to accelerate the mainstream of world trade. Where nations are to one side of this mainstream, our negotiations can reach them only in part. What is needed is for these nations to grow in activity so that they too are in the mainstream of trade, and then there will be opportunity for mutually beneficial negotiation.

The U.S. as a buyer

While the export earnings of the Pacific area are limited, both by variety and volume, the United States plays a significant role as a purchaser of its products. A year ago the United States imported \$3.7 billion worth of agricultural products, and about one-fourth came from the Pacific area. The leading items were sugar and rubber, followed by meat, copra, wool, manila hemp, tea, cashews, spices, and silk. The Philippines leads the list of supplying countries, followed by Australia, New Zealand, Indo-

nesia, India, and Malaya.

Most of the agricultural exports of the area are tropical products, noncompetitive with U.S. production. One important exception is meat. In 1962, the U.S. imported a record 971 million pounds of beef and veal from Australia and New Zealand. Practically all of the beef was boneless, manufacturing type, equivalent to U.S. canner and cutter grade. Our own production of this quality has been on the decline.

Also, the Pacific area is selling additional sugar to the U.S. since the cutting off of the Cuban supply. Formerly, only Taiwan and the Philippines had sugar quotas. Under our present sugar legislation, Australia, Fiji, Hong Kong, and India have been assigned quotas as well. These additional sugar exports have brought them about \$50 million in new business during each of the past 2 years.

Food for Peace

This review of our agricultural trade with the Pacific area would not be complete without mention of our Food for Peace program and its meaning to many of these countries.

From the beginning of the Public Law 480 program in 1954, a number of countries in the Pacific area have benefited from its provisions. Through the program they have been able to receive substantial amounts of our farm products without having to draw upon their small reserves of foreign exchange. In the 1954-55 year, the Pacific and East Asian countries received nearly \$200 million worth of our agricultural exports under Public Law 480. In the 1961-62 year, this amount had grown to nearly \$550 million.

These supplies, available under what we now speak of as the Food for Peace program, have done a number of things for these countries.

First, they have helped to feed and clothe people. Literally millions would have gone hungry and would have been even less well clad without our help.

Second, these supplies have helped to hold down inflation. Where food supplies are scarce, runaway inflation is the order of the day. The Indians, for example, have acknowledged with great gratitude that U.S. food helped to save the day when their supplies were shortest.

And third, these supplies are providing energy, incentive, and backing for economic development. Some of our food supplies are being used as partial payment for wages on construction projects. The foreign currencies generated under Title I sales are made available in large part to the participating government as a capital resource to be used in financing important public works. In areas where it is difficult to get improvements launched, this program has had a particular impact.

Area considered strategic

This, then, is a brief overview of our agricultural relationships with the Pacific area. It is an area of many complications, of many extremes, of many problems. It is a highly strategic area to the United States, politically and economically. It is highly important to us, both as a

Canada—Important Fats and Oils Exporter

Canada's exports of fats, oils, and oilseeds in 1962 totaled 578 million pounds of fat and/or oil equivalent—12 million pounds above the previous year, 73 million above the 1955-59 average, and almost four times the 1950-54 average. From an average net importer by almost 130 million pounds in the 1950-54 period, Canada had become a net exporter by about 124 million in 1961.

An important factor in the shift in trade has been the expansion of oilseed production in the Prairie Provinces. Farmers were encouraged to grow oilseeds beginning about 1953 and 1954 when surpluses of wheat stocks developed. As a result, Canadian exports of flaxseed, rapeseed, and mustardseed have increased sharply, placing Canada first among world exporters. Moreover, soybean production in Ontario has expanded markedly, and a substantial volume of soybeans and soybean oil is exported, primarily to Britain, where Canadian goods have tariff preference.

A significant shift has occurred in marine oil trade in the last decade. In the 1950-54 period Canada was a net exporter by 25 million pounds; in 1961 it became a net importer by virtually the same volume. Canadian con-

CANADIAN EXPORTS OF FATS, OILS, AND OILSEEDS

Item	Average		1961	1962
	1950-54	1955-59		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Rapeseed	—	208.7	271.0	429.6
Mustardseed	15.9	58.1	28.5	26.8
Sunflowerseed	—	—	10.2	14.1
Safflowerseed	—	—	2.2	—
Flaxseed	181.5	723.0	755.9	644.8
Soybeans	7.9	102.0	181.7	163.9
Soybean oil	—	33.2	30.0	50.6
Rapeseed oil	—	3.6	.7	.7
Linseed oil	16.3	11.5	19.8	4.4
Vegetable oils, n.e.s.	7.7	8.0	1.4	2.6
Whale oil	8.0	3.7	.1	1.3
Herring oil	14.6	10.7	1.0	.1
Cod liver oil	7.9	6.5	7.2	.3
Fish and marine oil, n.e.s.	—	.2	.5	.1
Lard	3.2	2.3	.9	—
Tallow	15.2	58.3	96.9	92.7
Butter7	4.0	—	—
Animal oils and fats, n.e.s.	1.0	2.6	1.3	3.6
Total in terms of fats and oils	150.0	505.0	566.0	578.0

Dominion Bureau of Statistics, Trade of Canada.

source of certain agricultural products and as a market for a number of the commodities our own farmers produce.

As an indication of the importance we attach to the Pacific area, we maintain agricultural attachés at 11 posts in the area—Japan, the Philippines, Hong Kong, Malaya, Indonesia, Thailand, Burma, India, Pakistan, Australia, and New Zealand. Through these men we keep in touch with developments in the area, and we carry out our programs in the area—Japan, the Philippines, Hong Kong, Malaya, staff of commodity and regional analysts in the Department of Agriculture in Washington whose business it is

sumption of fish oils in the manufacture of margarine and shortening totaled 70 million pounds in 1962 compared with 20 million in 1960.

Canadian exports of inedible tallow rose from the 1950-54 average of 15 million pounds to 93 million in 1962. The decline in the use of tallow in the manufacture of soap during the last decade from 100 million to 60 million pounds annually, resulting from the rapid expansion in the use of detergents, has released tallow for export to Europe, Japan, Cuba, and other countries.

Canada has discontinued imports of copra in recent years compared with 1950-54 average imports of 50 million pounds. Coconut oil imports, however, increased from a 1950-54 average of 21 million pounds to 58 million in 1961; palm oil imports from 24 million to 52 million.

The highlight of Canadian trade in 1962 was the record 430 million pounds of rapeseed exported in contrast to none in the 1950-54 period. Largest single import item was 87 million pounds of peanuts for edible purposes in January-November, against 70 million in the comparable period of 1961 and 75 million in all of 1961.

CANADIAN IMPORTS OF FATS, OILS, AND OILSEEDS

Item	Average		1961	January-November	
	1950-54	1955-59		1961	1962
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Soybeans	5.0	12.2	11.5	7.8	10.4
Flaxseed3	.3	—	—	—
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Cottonseed oil ..	58.5	31.3	41.6	37.5	29.3
Soybean oil	16.9	26.5	21.1	20.2	17.4
Peanut oil	8.3	20.0	9.4	7.2	18.8
Olive oil	1.8	2.5	4.0	3.5	3.3
Vegetable oils, n.e.s.	20.4	20.6	38.8	35.6	29.5
Copra	49.6	17.5	—	—	—
Coconut oil	21.0	37.7	58.0	51.1	52.2
Palm oil	23.5	40.5	52.3	50.8	33.2
Castor oil	4.7	5.6	5.1	5.0	3.0
Tung oil	5.1	4.2	2.9	2.8	2.6
Linseed oil	3.5	.5	.1	.1	.2
Marine oil	5.4	10.4	33.6	33.4	39.3
Lard	7.2	11.5	25.2	22.3	22.9
Tallow	4.0	.7	2.7	2.5	4.0
Grease	26.7	20.7	22.2	20.7	20.0
Total in terms of fats and oils	277.0	372.0	442.0	377.0	388.0

Dominion Bureau of Statistics, Trade of Canada.

to keep abreast of and to help facilitate our agricultural trade.

We are directing a significant amount of our attention to the Pacific area because of the sheer fact that American farmers must have export outlets for their abundant production and because the Pacific area today is taking about one-fourth of our agricultural exports. We look on this area as a growing market. Some parts are growing faster than others but in total it is a market that is expanding and will be even more important to American farmers tomorrow than it is today.

U.S. Dairy Industry Begins 9-Country Market Development in Mid-East, Asia



*Khurody (center) discusses new post with officials in Washington.**

This week the Dairy Society International and the Foreign Agricultural Service announce the October opening of a regional office to handle a new dairy market development program in the Mid-East and Asia. The location of the new office will be announced later.

Directing the program as regional coordinator will be D. N. Khurody, currently the Dairy Development Commissioner and Joint Secretary to the Government of Maharashtra, India. Developer of the Bombay Milk Scheme, Mr. Khurody has pioneered in dairying in "warm countries," and in the use of imported dairy products to supplement local milk supplies.

Initially, the regional program will involve the United Arab Republic, Turkey, Ceylon, Lebanon, Iran, India, and Pakistan. Technical assistance and nutrition education will be extended when requested to those countries buying U.S. dairy products.

Preliminary studies will be made in cooperation with U.S. agricultural attachés to determine the interest of

local governments and industry in adopting a dairy development program. Where mutually satisfactory programs are developed, Mr. Khurody will provide technical guidance to governments, importers, and processors on the use of imported dairy products, particularly on the use of U.S. nonfat dry milk. He will also advise on improved marketing systems and hygienic standards for milk handling.

Because of Mr. Khurody's long association with FAO and UNICEF in the United Nations milk conservation program, it is anticipated projects can be coordinated with the work of these organizations.

The developing countries in the program offer considerable opportunity for expanding overseas markets for U.S. dairy products. Local milk production is not keeping pace with swelling populations, and per capita milk consumption is low—often one-tenth of total milk-equivalent use in the United States. In Syria, for example, current levels of milk production are considered by the trade to be 50 percent lower than the consumption needs of the country.

Annual production in the 9 countries averages about 120 pounds per capita, contrasted with that in the United Kingdom (a big dairy importer) of 550 pounds and U.S. per capita production of about 700 pounds. These factors, plus generally inefficient dairy operations and distribution, result in milk products being priced beyond the incomes of many consumers.

The Bombay Milk Scheme, which Mr. Khurody began in 1945, has since become the largest milk marketing operation in Asia. It and the other three plants under Mr. Khurody's supervision require about 16.5 million pounds of imported nonfat dry milk annually. It is expected the Scheme

will soon be supplying the total milk requirements for the city's 4.5 million people.

The Scheme's greatest contribution is the use of inexpensive imported nonfat dry milk to extend the supply of more expensive high-fat buffalo milk. The result—so-called toned milk—is thus available at a price which millions more can purchase.

At first, milk for the Scheme came only from modern facilities 20 miles from the city, which were leased to Bombay producers. Later, producers outside the city were also urged to increase production, and now milk is brought by rail tankers from as far away as over 250 miles—the first long distance transport system for milk in the Tropics.

Similar projects have been started in New Delhi, Madras, Calcutta, and in many other Asian cities.

It is anticipated that the new market development program will increase export outlets for dairy products.

A First: U.S. Products To Show at Danish Fair

Two U.S. food products will exhibit at Denmark's National Food Fair this year, the first time another country has been invited to participate in this agricultural fair. The Fair will be held May 31-June 9 at Aalborg.

The U.S. Rice Export Development Association, Inc., will have a kitchen booth where rice dishes will be cooked and tasted. The Soybean Council of America will have a similar booth where chicken will be deep-fried in soybean oil and sampled.

U.S. Ambassador to Denmark William M. Blair, Jr., will be honor guest at a special "America Day."

This is the fourth year the Fair has been held in Aalborg, a port city in northern Denmark where many food products are processed and exported. Last year, tradesmen from 51 countries and 70,000 visitors attended. Danish farmers in the area host those who want to inspect their farms.

**(l.-r.) George Weigold, Executive Director, Dairy Society International; D. N. Khurody, and Dr. Roland R. Renne, Assistant Secretary of Agriculture for International Affairs.*

Promotion Program To Tap Austrian Poultry Market As U.S. Quotas Rise

The first market development program for U.S. frozen poultry was launched in Austria in March, following closely an announcement of larger 1963 quotas for U.S. poultry imports.

This year's import quota of 1,500 metric tons—nearly double the one for 1962—for the first time opens the door to sizable U.S. poultry exports to Austria. Because Austria imports 40 percent of its poultry, the Government and producer organizations indicated they would not object to the U.S. effort to gain a bigger share of Austria's poultry meat market. Domestic production has lagged steadily behind consumption in recent years and the gap is expected to widen.

Joint sponsors of the program—the Institute of American Poultry Industries—and the Foreign Agricultural Service—decided to place initial emphasis on promoting frozen poultry parts. There is no domestic competition in this area. Though the tariff on poultry parts is greater than for whole birds, it is believed Austrian consumers will pay more for choice parts.

An important preliminary to the campaign was the agreement by Austria's biggest retail food chain to stock large quantities of U.S. poultry. A

spring campaign will stress point-of-sale promotion: Window posters in stores, recipes showing the homemaker how to prepare poultry parts, and show cards near deepfreezers drawing attention to the U.S. poultry.

Colored supplements are being carried in retailers' magazines. Also, frozen poultry parts are being advertised in newspapers and telecasts, and slide shows are being presented to selected consumer and trade groups. Similar programs have been planned for a summer and fall promotion.

The 1963 expenditure for this promotion is \$20,000, to be provided in part by foreign currencies generated under Public Law 480. A sizable contribution will come from the Institute of American Poultry Industries with European headquarters in Frankfurt.

Austrian importers expect the demand for U.S. poultry parts to rise substantially once the public has become accustomed to the uniform high quality of American poultry, and the time saved in using ready-to-cook parts. Modern packing methods, the year-round availability of U.S. poultry, and the increasing use of broiling equipment in Austrian households will also help to stimulate better demand.

Survey Says London Fair Upped Retail Food Sales

A survey of 520 British retailers, wholesalers, and importers by a London research firm shows that British use of U.S. foods may have risen materially, as a result of the London Food Fair last year—with even larger long-range results to come. Wholesalers felt sales campaigns carried on after a Fair at the retailer level would further increase its impact on the consumer.

Five hundred grocery retailers of the Greater London area were surveyed before and two months after the close of the Fair. Thirteen percent of the retailers—most of them with shops

above average in size—believed they sold more American foods after the Fair and 7 percent considered the increase a result of it. All importers interviewed stated their trade in American foods had already increased. Wholesalers claimed that the effects of the Fair had not yet reached them, but they were almost unanimous that these displays were important to long-range trade development.

Wholesalers and importers suggested that greater effort be made at the fairs to bring key trade people together. More specific times should be arranged when the retail trade could confer with importers of U.S. products. The wholesaler too small to exhibit alone found participation in the U.S. exhibit of benefit to his business.

U.S. Wheat Performance Test-Proved in Europe

As part of a continuing program to acquaint European millers with the adaptability and performance qualities of U.S. wheat, samples of Great Plains winter and spring hard wheats have been sent to leading flour mills in 11 countries. At these mills, technicians will run tests on various levels of blending hard U.S. wheats with softer European wheats to get desired types of flour.

The program is being carried out by Great Plains Wheat, Inc., in cooperation with the Foreign Agricultural Service.

Baking strength and gluten quality of the U.S. wheat samples will be evaluated as part of the testing. Each lot contains eight samples of both winter and spring hard wheats of varying qualities.

At the same time, like samples have been shipped to a laboratory in Kansas City which is equipped with the type of testing equipment used in Europe. The U.S. laboratory will perform the same baking tests as those performed in the European countries.

In announcing the project, Great Plains Wheat said: "The wide range in types and qualities of U.S. wheat is often confusing to our European customers. They sometimes specify a certain quality of wheat when in actuality, wheat of a different quality would be more adaptable to their needs. These experiments will help determine the exact kind and quality of wheat needed, and can lead to better uses of U.S. wheat."

Japan Gets Study Grant

The USDA has awarded the Kagawa University of Takamatsu, Kagawaken, Japan, a 3-year P.L. 480 grant equivalent to \$25,448 for research on low-molecular-weight carbohydrates in fat-free soybean meals of U.S. and Japanese origin.

This study is expected to provide additional data on changes in carbohydrates during processing and their role in improving the nutrition of cooked soybean meals.

Less Argentine, Yugoslav Beef to Britain

Argentina and Yugoslavia have agreed to curtail beef shipments to Britain for the remainder of the year to assist in stabilizing cattle prices in Britain. Cattle and beef prices in Britain have declined considerably and the cost of price support has risen.

The Argentine Government has agreed that beef exports will not exceed 203,500 long tons this year, including 180,000 tons of chilled beef and 23,500 tons of frozen beef. Argentina may have trouble holding its chilled beef shipments to 180,000 tons, as shipments in the first four shipping periods (ending in May) totaled about 125,000 tons. If domestic consumption in Argentina continues to decline, there may be a surplus of as much as 50,000 tons. Of the total 198,000 tons of chilled beef shipped in calendar 1962, the United Kingdom took 171,000 tons.

The Yugoslavian Government has indicated that it does not expect exports to Britain to exceed 30,000 tons this year, a 25-percent decrease from a year ago.

The United Kingdom, though usually the world's largest beef importer, was surpassed by the United States in 1962. Imports of chilled beef from Argentina, Yugoslavia, and Ireland compete more directly with British domestic production than frozen beef from other countries such as Australia and New Zealand.

Mexico's First National Meat Convention

The first national meat industry convention is being held in Mexico City from July 22 to 25. Participating are representatives of the 31 Federally inspected meat packing plants, 8 feedlot operators, and various related industries.

The Mexican Department of Agriculture's interest in promoting increased production of cattle and in the development of international markets for beef is shown in the principal discussion topics—cattle feeding and the production of cattle and beef for export.

U.S. Hides and Skin Exports Down in 1962

U.S. exports of all types of hides and skins in 1962 fell below the record levels of the previous year.

Exports of cattle hides totaled 7.1 million pieces, down 500,000 from 1961. Resumption of purchases by the USSR and increased purchases by the Netherlands were more than offset by decreased shipments to all other major markets.

In Japan, best U.S. cattle hide market, credit restrictions limited imports. However, continued prosperity, combined with an active leather promotion program, assures continued strong demand for hides in Japan in the current year.

Calfskin exports, which have remained relatively constant in recent years, dropped by about 300,000 pieces in 1962 because of reduced sales to Western Europe and Canada. Kipskin exports were down about 40 percent as shipments to every major market fell below the previous year.

Exports of sheep and lamb skins fell also, mainly because of smaller shipments to the United Kingdom, Sweden, Canada, and some other minor markets.

U.S. EXPORTS OF HIDES AND SKINS, AVERAGE 1956-60, ANNUAL 1961 AND 1962

Country of destination	Average 1956-60	1961	1962	
			Quantity	Change from 1961
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Cattle hides:				
Canada	641	706	656	-50
Mexico	505	461	461	0
Germany, West	625	774	571	-203
Netherlands	874	738	963	+225
Poland	95	36	15	-21
U.K.	181	57	38	-19
Italy	118	186	63	-123
Yugoslavia	173	273	109	-164
USSR	66	0	197	+197
Japan	1,528	3,174	3,009	-165
Turkey	177	345	100	-245
Other	685	889	937	+48
Total	5,568	7,639	7,119	-520
Calfskins:				
Canada	613	496	263	-233
France	53	26	32	+6
Germany, West	272	174	174	0
Italy	204	345	303	-42
Netherlands	168	152	77	-75
Switzerland	53	145	62	-83
U.K.	62	120	81	-39
Japan	354	458	622	+164
Other	87	76	98	+22
Total	1,866	1,992	1,712	-280
Kipskins:				
Canada	7	69	36	-33
Belgium	22	11	0	-11
Germany, West	258	158	156	-2
Netherlands	115	71	6	-65
U.K.	32	8	2	-6
Japan	277	142	86	-56
Other	122	97	57	-40
Total	833	556	343	-213
Sheep and lamb:²				
Canada	640	710	673	-37
Mexico	108	52	63	+11
France	48	28	56	+28
Germany, West	27	25	32	+7
Sweden	77	128	77	-51
U.K.	459	753	669	-84
Other	208	720	609	-111
Total	1,567	2,416	2,179	-237

¹ Preliminary. ² Includes goat and kid skins.
Bureau of the Census.

Japan Allocates Funds To Import Pulses

The Japanese Ministry of International Trade and Industry (MITI) plans to allocate \$4 million for imports of pulses during the next few weeks. Previously, \$3 million had been allocated in the current marketing year, which will end in September 1963. The trade is confident that the total allocation for the marketing year will reach \$9-10 million.

Several Japanese firms have concluded arrangements to import \$988,150 worth of pulses from Communist China. Included are 4,500 tons of Azuki beans (cow peas), 3,500 tons of broad beans, and 500 tons of red cow peas.

Japan's purchases of U.S. pulses have shown rapid percentage increases, although the volume has not been large. Recent U.S. exports to Japan have been as follows:

U.S. marketing year ¹	Peas <i>Metric tons</i>	Beans <i>Metric tons</i>
Average 1955-59	19	1,524
Annual:		
1958	—	45
1959	6	2,858
1960	43	1,012
1961	710	1,334
1962	² 2,841	³ 5,020

¹ Beginning in August for peas and in September for beans.
² August-February only. ³ September-February only.

The Japanese frequently import low-cost pulse including culls, splits, and broken. This is indicated by the quantity and value of various kinds of U.S. beans and peas exported to Japan during the first few months of the current marketing year (August 1962-February 1963 for peas and September 1962-February 1963 for beans):

	Quantity 100 lb. <i>bags</i>	Value declared by exporter <i>Dollars per bag</i>
Peas:		
Green	26,691	2.20
Yellow	24,991	3.53
Seed	10,915	3.70
Beans:		
Navy	2,475	6.88
Gr. Northern	6,168	3.57
Other white	89,458	6.48
Pinto	11,614	2.85
Seed	953	22.56

Argentina Produces Larger Lentil Crop

The 1962-63 lentil harvest completed last December in Argentina is estimated at 12,050 metric tons, an 8-percent rise over the 11,140 tons of the previous year.

Although acreage declined by 4 percent from a year earlier, favorable weather during the growing season increased yields per acre. The 1962-63 acreage is officially estimated at 37,806 compared with 39,289 acres in 1961-62. A decade ago Argentina normally harvested 25,000 tons of lentils from approximately 60,000 acres.

During the calendar year 1962, lentil exports from Argentina totaled 5,341 tons. Holland received 2,767 tons, Brazil 1,700 tons, and Germany 773 tons.

Japanese Announce Feedstuffs Import Plan

The Japanese Ministry of Agriculture and Forestry has announced its feedstuffs import plans for the Japanese fiscal year 1963 (Apr. 1, 1963, to Mar. 31, 1964). Imports will include 2,370,400 metric tons of corn, 81,500 tons of rye, 790,800 tons of milo, 902,000 tons of feed wheat, and 100,000 tons of feed barley. They represent an increase in imports over the previous year of about 11 percent for corn, 13 percent for rye, 214 for milo, and 23 for feed wheat. Barley has not previously been imported for feed purposes.

If U.S. grain prices remain favorable in comparison with world prices, the United States is in a good position to supply about half of Japan's corn needs in 1963 and practically all the milo needs. Other corn suppliers are Thailand, which depends on Japan as a market for most of its

corn crop, South Africa, which has recently been negotiating with Japan, and Argentina, which in recent years has had a declining share of the market.

Japan is traditionally a heavy importer of wheat bran, which is used extensively in the livestock feeding industry. The reduction in its import plans for wheat bran in 1963 may be offset by an increase in imports of feed wheat. About 40 percent of this feed wheat will be used for human food and the rest for livestock.

JAPAN'S FEEDSTUFFS IMPORTS, FISCAL YEARS 1961 AND 1962, AND IMPORT PLANS FOR 1963

	Imports		Import plans for 1963 ²
	1961 ¹	1962 ¹	
	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>
Corn, total	1,707.7	2,109.8	2,370.4
From United States	415.9	976.5	
Rye, total	52.3	72.2	³ 81.5
From United States	35.8	67.7	
Milo, total	142.0	251.6	790.8
From United States	141.9	251.6	
Feed wheat, total	601.5	736.0	902.0
From United States	—	78.3	
Wheat bran, total	307.1	327.1	284.8
From United States	34.0	18.0	
Feed barley, total	—	—	100.0
From United States	—	—	
Soybean meal, total	22.3	48.4	74.0
From United States	22.3	38.5	
Nonfat dry milk, total	2.6	1.5	6.0
From United States	—	—	
Other bran ⁴	—	—	100.0
Other oil meals ⁴	—	—	102.0
Fish meal ⁴	—	—	71.0
Other animal feeds ⁴	—	—	30.0
Molasses ⁴	—	—	98.2

¹ U.S. fiscal year.
² Japanese fiscal year, Apr. 1 to Mar. 31.
³ This item includes oats and other feed grains.
⁴ Accurate information on imports not available due to general nature of the classification.

Dairy Product Exports From Argentina

In 1962, Argentina's exports of butter and casein decreased from those of 1961; however, cheese exports were up substantially.

Exports of butter from Argentina in 1962 at 23 million pounds were only 79 percent of 1961 and 40 percent of the record set in 1960. The United Kingdom was the most important market in all 3 years; however, sales to that country in 1962—21 million pounds—were 6 percent lighter than the previous year's and less than half those of 1960, because of the United Kingdom's quota allocation limiting sales.

On the other hand, cheese exports increased in 1962. At 9 million pounds, they were at the highest level since 1953, although still about 12 percent below the record sales of that year. Principal markets in 1962 were the United States and Venezuela, both of which took approximately 4 million pounds.

Shipments of casein—63 million pounds—were about 4 percent lighter compared with 1961. Sales to the United States accounted for 59 percent of total 1962 trade and were only slightly below 1961. Among other traditional markets which made smaller purchases in 1962 were Italy, West Germany, and the Netherlands. These were not offset by sales to Mexico, Venezuela, France, and Japan.

Canned Fruit and Juice Prices in London

Selling prices in London (landed, duty paid) of selected canned fruits and juices in April 1962, January 1963, and April 1963 are compared as follows:

Type and quality	Unit	Price per dozen units			Origin
		Apr. 1962	Jan. 1963	Apr. 1963	
CANNED FRUIT	Cans	U.S. dol.	U.S. dol.	U.S. dol.	
Apricots:					
Whole, unpeeled choice	303	2.20	2.60	2.54	U. S.
Halves					
Choice	2 1/2	3.50	3.36	3.20	S. Africa
Choice	2 1/2	4.13	4.59	3.72	U. S.
Standard	2 1/2	3.50	3.15	3.04	Australia
Standard	2 1/2	3.45	3.15	2.99	S. Africa
Standard	2 1/2	3.43	4.16	3.72	U. S.
Standard	10	(¹)	10.71	11.55	S. Africa
In water	(²) 5 kg.	14.49	14.70	(¹)	Spain
Peaches:					
Halves					
Choice	2 1/2	3.32	3.36	3.22	Australia
Choice	2 1/2	3.58	3.36	3.18	S. Africa
Choice	2 1/2	3.55	3.46	3.42	U. S.
Standard	2 1/2	3.11	3.15	3.03	Australia
Standard	2 1/2	3.36	3.15	2.99	S. Africa
Standard	2 1/2	3.40	(¹)	2.80	U. S.
Standard	1	1.97	1.89	1.90	Australia
Standard	1	2.12	1.89	1.87	S. Africa
In syrup	14 oz.	1.86	2.00	(¹)	Spain
Choice	303	2.32	2.31	2.29	U. S.
Pears:					
Halves					
Choice	2 1/2	3.80	(¹)	3.64	Australia
Choice	2 1/2	3.80	3.68	3.60	S. Africa
Choice	2 1/2	(¹)	3.85	4.13	U. S.
Standard	2 1/2	3.65	3.40	3.40	S. Africa
Standard	1	2.22	1.68	2.05	Australia
Choice	303	(¹)	2.65	2.56	U. S.
In syrup	15 1/2 oz.	(¹)	2.12	1.89	Italy
Fruit cocktail:					
Choice	303	2.48	2.32	2.36	U. S.
Choice	15 oz.	(¹)	2.14	2.05	Spain
Choice	8 oz.	1.46	1.34	1.34	U. S.
Grapefruit sections:					
Fancy	303	2.12	2.34	(¹)	U. S.
No. 2	20 oz.	2.80	2.87	2.78	Israel
Quality not specified	20 oz.	2.73	2.73	(¹)	W. Indies
Pineapple slices:					
Fancy	2 1/2	(¹)	3.22	(¹)	Taiwan
Fancy	2	3.57	3.57	3.57	U. S.
Choice	16 oz.	(¹)	1.64	(¹)	S. Africa
Spiral standard	16 oz.	1.64	2.01	1.55	Malaya
CANNED JUICES					
Single strength:					
Orange	2	1.68	(³)	1.96	U. S.
Orange	2	1.68	(³)	(¹)	W. Indies
Orange	19 oz.	1.68	(³)	(¹)	Israel
Orange	46 oz.	3.85	(³)	4.58	U. S.
Grapefruit	2	1.31	(³)	3.43	U. S.
Grapefruit	2	1.47	(³)	(¹)	W. Indies

¹ Not quoted. ² Per case of 10 cans. ³ Quotations withdrawn because of Florida frost.

Argentine Semi-Late Potato Crop Small

Argentina's important semi-late potato crop is estimated at 20 million hundredweight—about 5 percent above the short crop of last year but 23 percent below the past 5-year average. The late crop is up 20 percent over last year, but production of this crop is only 2.8 million hundredweight. Last year there was an acute shortage of potatoes from July through September.

Canned Fruit and Juice Prices in Hamburg

Selling prices (import duties and customs charges paid) of selected canned fruits and juices in Hamburg, Germany, in April 1962, January 1963, and April 1963 are compared as follows:

Type and quality	Unit	Price per dozen units			Origin
		Apr. 1962	Jan. 1963	Apr. 1963	
CANNED FRUIT	Cans	U.S. dol.	U.S. dol.	U.S. dol.	
Apricots:					
Halves, choice	2 1/2	(¹)	3.87	3.87	Greece
Halves, choice	2 1/2	(¹)	3.69	3.69	S. Africa
Halves, choice	15 oz.	(¹)	(¹)	1.84	Spain
Halves, choice	8 oz.	(¹)	(¹)	1.74	U. S.
Peaches:					
Halves, choice	2 1/2	(¹)	(¹)	3.48	Argentina
Halves, choice	2 1/2	4.06	3.72	3.69	U. S.
Pears:					
Halves, choice	2 1/2	(¹)	3.99	3.69	Argentina
Halves, choice	2 1/2	(¹)	4.14	4.12	Australia
Halves, choice	2 1/2	4.85	4.48	4.48	Italy
Halves, choice	2 1/2	4.33	4.30	4.30	Netherlands
Fruit cocktail:					
Choice	15 oz.	(¹)	2.67	2.67	Spain
Choice	2 1/2	4.75	4.39	4.36	U. S.
Choice	10	19.35	17.25	17.25	U. S.
Pineapple:					
Slices, fancy	2 1/2	5.12	4.54	4.54	U. S.
Slices, choice	2 1/2	3.72	3.68	3.72	Philippines
Slices, choice	2 1/2	3.57	3.51	3.45	S. Africa
Slices, choice	2 1/2	(¹)	4.00	4.03	U. S.
Slices, choice	1 tall	(¹)	2.15	2.15	Malaya
Slices, choice	2	(¹)	2.40	2.40	Kenya
Crushed ²	10	9.33	8.13	8.04	S. Africa
Crushed ²	10	9.39	8.04	8.34	Taiwan
Crushed fancy	10	11.94	11.94	11.97	U. S.
CANNED JUICES					
Orange:					
Unsweetened	2	(¹)	2.06	2.24	Israel
Unsweetened	2	1.97	2.03	(¹)	U. S.
Unsweetened	46 oz.	4.38	4.66	(¹)	U. S.
Grapefruit:					
Unsweetened	2	1.45	1.69	2.13	U. S.
Unsweetened	46 oz.	3.33	3.45	4.78	U. S.
Pineapple:					
Choice	2	1.60	1.63	1.60	S. Africa
Fancy	2	1.72	1.66	1.66	U. S.
Fancy	10	8.64	8.64	8.64	U. S.

¹ Not quoted. ² Quality not specified.

Brazil Raises Cotton Exchange Rate

Brazil recently increased the exchange rate for cotton exports from 460 to 600 cruzeiros per U.S. dollar. However, the government will retain 40 cruzeiros out of every 600 earned, to finance cotton promotion. Domestic offering prices hardened after announcement of the new rate.

U.S. Cotton Exports Drifting Downward

U.S. exports of all types of cotton totaled 2,316,000 running bales in the first two-thirds (August-March) of the current season. This is 34 percent less than the 3,361,000 bales shipped in the corresponding period of 1961-62.

March exports totaled 440,000 bales, compared with 522,000 in February and 391,000 in March 1962.

Registration for exports under the 1962-63 payment-in-kind program amounted to 2,975,349 bales through May 3, against 4,176,362 on about the same date in 1962.

U.S. COTTON EXPORTS BY COUNTRY OF DESTINATION,
AUGUST-MARCH 1962-63, WITH COMPARISONS

(1,000 running bales)					
Destination	Year beginning August 1				
	Average	1960	1961	August-March	
	1955-59			1961	1962
Austria	33	35	33	25	9
Belgium and Luxembourg	160	179	100	74	59
Denmark	17	23	13	7	9
Finland	22	29	21	19	11
France	360	549	300	239	133
Germany, West	475	421	205	173	82
Italy	416	454	376	300	157
Netherlands	124	179	106	79	63
Norway	10	14	13	11	7
Poland and Danzig	85	228	139	19	7
Portugal	28	25	18	15	6
Spain	171	171	155	155	(¹)
Sweden	75	101	99	86	44
Switzerland	64	99	75	69	33
United Kingdom	525	371	270	209	113
Yugoslavia	108	88	175	75	110
Other Europe	17	8	8	3	4
Total Europe	2,690	2,974	2,106	1,558	847
Australia	54	49	64	43	25
Canada	217	259	397	281	181
Chile	35	51	12	11	14
Colombia	33	0	1	0	1
Cuba	27	2	0	0	0
Ethiopia	4	4	13	10	14
Hong Kong	134	219	104	84	57
India	184	599	215	25	98
Indonesia	30	36	46	33	27
Israel	16	9	10	6	5
Japan	1,154	1,746	1,028	768	645
Korea, Rep. of	205	195	300	166	130
Morocco	10	9	14	12	5
Pakistan	14	5	39	10	(¹)
Philippines	64	149	142	84	77
South Africa	26	51	52	42	12
Taiwan (Formosa)	153	176	256	133	120
Thailand	4	23	30	21	17
Uruguay	15	18	11	10	0
Venezuela	2	(¹)	16	16	4
Vietnam ²	2	26	30	29	29
Other countries	27	32	28	19	8
Total	5,100	6,632	4,914	3,361	2,316

¹ Less than 500 bales. ² Indochina prior to 1958. Includes Laos and Cambodia. Compiled from Bureau of Census records.

U.S. Cotton Linters Imports Lower

U.S. imports of cotton linters, mostly felting qualities, were 9,000 bales (500 pounds gross) in March 1963, compared with 10,000 in February and 21,000 in March 1962. Linters imports during the first two-thirds of this season (August-March) totaled 74,000 bales, against 151,000 in the corresponding 1962 period.

Principal sources of linters imports during August-March 1962-63, with comparable 1961-62 figures in parentheses, were: Mexico 46,000 bales (84,000); USSR 10,000 (21,000); Brazil 7,000 (18,000); Guatemala 6,000 (5,000); and El Salvador 4,000 (6,000).

More Foreign Sugar for U.S. Market

The U.S. Department of Agriculture announced on May 6 that an additional 551,537 short tons of sugar would be imported in order to meet this country's increased consumption requirement, which has now been set at 10,400,000 tons for calendar 1963.

The U.S. Domestic Beet Sugar Area will be unable to supply its share of the quota increase—291,537 tons; in

addition, a deficit of 50,000 tons has been declared in Puerto Rico's quota.

These amounts (plus an additional 735 tons of the quota increase withheld from the Netherlands because it is a net-importing country) are to be prorated among other supplying areas as follows: Western Hemisphere countries—192,568 tons; Republic of the Philippines—49,704 tons; and all foreign countries as a group (global quota)—100,000 tons. The Department has determined that neither the Republic of the Philippines nor the Western Hemisphere can fill larger amounts of the reallocation.

The remainder of the increase in quotas—307,728 tons—is distributed as follows: 98,463 tons to the Mainland Cane Area; 87,948 tons to individual foreign country quotas; and 121,317 tons to the global quota.

The global quota is, therefore, increased by a combined amount of 221,317 tons as a result of the deficit reallocation and the quota increase, to a total of 1,725,658 short tons, raw value.

Quotas for domestic areas and foreign countries that will become effective for 1963 are (in raw value):

Production area	Change in quota	Revised quota and proration
	Short tons	Short tons
Domestic Beet Sugar	0	¹ 2,698,590
Mainland Cane Sugar	98,463	1,009,873
Hawaii	0	1,110,000
Puerto Rico	—50,000	¹ 870,000
Virgin Islands	0	15,000
Total domestic areas	48,463	5,703,463
Republic of the Philippines	49,704	1,207,618
Total	98,167	6,911,081
Peru	14,091	206,243
Dominican Republic	14,091	336,243
Mexico	14,091	206,243
Brazil	13,377	195,793
British West Indies	6,699	98,050
Australia	2,961	43,339
Republic of China	2,604	38,114
French West Indies	2,226	32,581
Colombia	2,226	32,581
Nicaragua	1,848	27,048
Costa Rica	1,848	27,048
Ecuador	1,848	27,048
India	1,491	21,823
Haiti	1,491	21,823
Guatemala	1,491	21,823
South Africa	1,491	21,823
Panama	1,113	16,290
El Salvador	756	11,065
Paraguay	735	10,758
British Honduras	735	10,758
Fiji Islands	735	10,758
Ireland	0	10,000
Belgium	0	182
Argentina	0	20,000
Total	87,948	1,447,434
Western Hemisphere countries (deficit reallocation)	192,568	315,827
All foreign countries as a group (Global quota)	221,317	1,725,658
Total	600,000	10,400,000

¹ Adjusted for deficits. Unadjusted quotas were: Domestic Beet Sugar, 2,990,127 and Puerto Rico 1,140,000 short tons, raw value. Domestic areas may market their full quotas before adjustment.

Guatemalan Coffee Exports Increase

Guatemala's green coffee exports in 1962 amounted to U.S. \$67,123,000, f.o.b., compared with 1961 exports of

\$65.5 million. This represents 66 percent of the value of all Guatemalan agricultural exports.

The United States took 60.3 percent of Guatemala's 1962 coffee exports. In addition to green coffee, Guatemala exported \$1,105,000 worth of soluble coffee, almost two-thirds of which went to Western Germany.

Hong Kong's Tobacco Imports Sharply Up

Hong Kong's imports of unmanufactured tobacco during 1962 were the largest since 1951. Imports last year totaled 19.5 million pounds, and were 41 percent greater than the 13.9 million imported during 1961. Larger imports from the United States, the Rhodesias-Nyasaland, India, Mainland China, and Thailand accounted for the increase, whereas imports from Japan, the Philippines, and Mozambique were down from the previous year.

Imports of U.S. leaf rose to 7.4 million pounds from 6.1 million in 1961. Takings of Rhodesian leaf, at 6.2 million pounds, were one-fourth larger than the 1961 level of 5.0 million. Imports of Indian leaf totaled 1.6 million pounds, compared with 0.8 million for the previous year. Imports from Mainland China also rose from 0.4 million pounds in 1961 to 1.8 million last year.

Hong Kong's imports of cigarettes last year, also the largest since 1951, totaled 5.5 million pounds. Imports from the United States, the principal supplier, rose to 3.9 million pounds from 3.8 million in 1961. Imports from the United Kingdom amounted to 1.5 million pounds—down slightly from 1961.

Belgian Cigarette Output Continues To Rise

Cigarette output in Belgium during 1962, at 12.3 billion pieces, was 7 percent greater than the 11.5 billion produced in 1961. For cigars and cigarillos, production was 27 and 8 percent larger, respectively, than the 1961 levels of 213 million and 802 million pieces. However, output of smoking mixtures, chewing tobacco, and snuff was down from the preceding year.

Leaf usings by Belgian manufacturers rose to 62.1 million pounds from 61.1 million in 1961. Cigarettes accounted for 54 percent of total usings, cigars and cigarillos for 14 percent, and the other products for the remaining 32 percent.

Cigarette sales, at 11.9 billion pieces, were 5.5 percent greater than the 11.3 billion sold in 1961. Cigar sales were up 9 percent and cigarillo sales up 11 percent, but combined sales of all other products were down 3 percent.

Thai Cigarette Sales

Total sales of cigarettes in Thailand in the period January-March 1963 were down 5.3 percent from the similar period of 1962. However, sales of brands containing large percentages of imported leaf (virtually all of U.S. origin) continued to rise except for a brand called Kled Thong.

Sales of Kled Thong, the biggest selling brand in Thailand, dropped about 10 percent from January-March 1962. Kled Thong contains 50 percent imported tobacco. Combined sales of Gold City brands, made of 100 percent im-

ported leaf, rose from 75 million pieces in the first quarter of 1962 to 123 million this year. Sales of Moon, which contains 10 percent imported leaf, rose from 729 million pieces to 1,007 million of Samit; those with 70 percent imported leaf, rose from 217 million to 241 million.

In spite of the increase in sales volume for most brands containing imported leaf, indications are that the total quantity of imported leaf used in manufacture was down a little in January-March 1963 from the first quarter of 1962. This apparent smaller use resulted from a reduction, effective in early 1963, in percentages of imported tobaccos used for blending.

Egypt Produces More U.S.-Type Cigarettes

Production of the American-blended type cigarette accounted for nearly 70 percent of Egypt's total output of tobacco products last year, compared with 65 percent in 1961 and 60 percent in 1960. Growing popularity of the American blended cigarette has resulted in a sharp decline in output of both oriental and straight Virginia cigarettes.

Production of "roll-your-own" tobacco, made largely from oriental leaf, has been about stable for the past 3 years at around 17 percent of total tobacco manufactures. Combined output of pipe tobacco, cigars, and chewing tobacco was only 8.4 percent of total output last year.

EGYPT: OUTPUT OF TOBACCO PRODUCTS BY KINDS, 1959-62

Product	1959	1960	1961	1962
Cigarettes:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
American-blended	54.2	60.3	64.8	69.2
Oriental	6.2	7.8	5.7	3.8
Straight Virginia	10.3	3.6	2.2	1.6
Other:				
Roll-your-own (oriental)	16.8	17.4	17.4	17.0
Pipe tobacco and small cigars ¹	11.6	9.9	8.9	7.5
Chewing tobacco	0.9	1.0	1.0	0.9
Total	100.0	100.0	100.0	100.0

¹ Includes tobacco for bubble pipes.

Brazil's Cigarette Output Still Rising

Cigarette output in Brazil continued to rise through 1962. Production last year, according to unofficial trade estimates, amounted to 68.7 billion pieces, compared with 64.8 billion in 1961, 61.1 billion in 1960, and 57.7 billion for 1959. Data on cigarette output since 1958 have been recently revised after the official figure of 54.4 billion for 1958 was released. Official data for 1959 reportedly will be released in the near future.

The demand for filter-tipped cigarettes in Brazil has continued to grow since their introduction in early 1960. Trade officials estimated that filter-tipped cigarettes represented 0.6 percent of total output during 1962.

Brazil's exports of cigarettes in the past have been insignificant. Exports last year amounted to 51,000 pounds, mainly to Bolivia with a minor quantity to Paraguay. However, the initial shipment of 600,000 pieces to Uruguay early this year may boost Brazil's total cigarette exports. The shipment to Uruguay consisted of 400,000 pieces of

"Minister" and 200,000 pieces of "Consul". These cigarette sales may partly offset the decline in Brazil's leaf tobacco exports to that country.

Japan's Cottonseed Imports Increase

Japan has purchased 120,000 metric tons of cottonseed from Nicaragua and Nigeria for July/August shipment, according to trade sources. The average price is \$78 per ton c. and f. Ten Japanese import firms have made purchases ranging from 1,000 to 28,000 tons each.

Japan's cottonseed imports have risen sharply in the last 2 years to 150,064 tons in 1962, more than double the 1960 tonnage. Imports in 1963 are expected to show a further increase. Nicaragua has been the largest supplier in recent years, followed by Nigeria. No purchases have been made from the United States since 1959, when 503 tons were exported to Japan. Trade sources report that prices of U.S. cottonseed are too high compared with prices of seed from other sources.

COTTONSEED: JAPAN'S IMPORTS BY COUNTRY OF ORIGIN, 1958-62

Country of origin	1958	1959	1960	1961	1962
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
Nicaragua	58.6	67.8	32.0	37.5	70.5
Nigeria	5.7	20.2	22.2	36.2	30.0
Thailand	5.2	8.1	6.3	5.9	9.5
Bulgaria	—	—	—	4.9	7.1
Cambodia5	.2	.4	1.7	11.2
Sudan	1.2	13.2	2.3	3.9	6.2
Honduras	3.8	4.5	2.0	1.9	5.0
Salvador	1.0	2.4	—	4.5	5.0
Others	5.4	1.0	6.1	3.3	5.6
Total	81.4	117.4	71.3	99.8	150.1

Japan, Customs Division, Finance Ministry.

Japan's Oil Consumption Increases

The per capita consumption of fats and oils in Japan continues to increase along with incomes. In 1962 the increase was 7 percent from the previous year, and in 1963 an 8-percent increase is expected.

Imports of soybeans in 1963 are estimated at 1.4 million metric tons (51.4 million bushels), 9.6 percent over the previous year. Most of the imports will come from the United States. Mainland China will probably supply about 180,000 tons (6.6 million bushels) under the 1962 trade arrangement (*Foreign Agriculture*, Feb. 11, 1963).

Reflecting increased demand, the government has relaxed several of its import restrictions on fats and oils. All fish oil, castor oil, and rice bran oil were placed on the Automatic Fund Allocation system effective October 1, 1962. Also on that date, sesame oil was placed on Automatic Approval (liberalized). Imports of cottonseed oil for mayonnaise manufacturing were liberalized last month (*Foreign Agriculture*, May 13, 1963).

Currently, the government is considering plans to lower import duties on soybeans and to liberalize imports of soybean oil and meal along with those of other vegetable oils, possibly by March 31, 1964.

The trend in domestic production of soybeans has been

downward since 1952, the year of record production. For 1963, production is forecast at 327,400 tons (12 million bushels). This would be 2.5 percent below 1962 and about 60 percent below the record year. The price support on domestic soybeans for the 1962 crop was 3,200 yen per 60 kilograms (\$4.03 per bushel), the same as the year before. Officials estimated the total cost to the national budget for soybean supports at 650 million yen (\$1.8 million).

U.S. Exports of Soybeans, Edible Oils, Meals

In March, U.S. exports of soybeans declined sharply from the volume exported in February. However, exports of edible oils gained sharply from the previous month and exports of cakes and meals set a new monthly high.

Soybean exports from the United States in March at 14.4 million bushels declined one-fourth from February. However, cumulative exports at 105.4 million bushels in the first 6 months of the 1962-63 marketing year (October-March) continued at a level 13 percent above those in the comparable period in 1961-62. Major destinations for U.S. soybeans in March and their respective percentages of total exports were: Japan 37, West Germany 25, Denmark and the Netherlands 7 each, and Israel 6.

March shipments of *edible oil* (soybean and cottonseed) at 226 million pounds increased sharply from the preceding month despite declines in "foreign donations" exports. Cumulative shipments at 709.6 million pounds were 4 percent above the corresponding period in 1961-62. (These include 32.9 million pounds of crude soybean oil exported to Spain which was returned to the United States without being discharged. This figure is expected to be included in U.S. import statistics for March under "U.S. articles returned".) Foreign donations accounted for 9 percent of the half-year total in 1962-63, against a fourth in the same period last year.

U.S. exports of *soybean oil* in March at 159.6 million pounds increased sharply from the 49.2 million pounds reported to have been shipped in February. (This includes 21 million pounds shipped to Spain in February which was not previously included by the Bureau of the Census. An additional quantity of 11 million pounds, also shipped in February, was inadvertently omitted by Census but will be reported for April. Major destinations for March shipments and percentages of the total were: Pakistan 39, Greece and Spain 14 each, and Morocco, Tunisia, and Israel 7 each. Cumulative shipments during the October-March period were more than one-fifth above the comparable period in 1961-62.

Cottonseed oil exports in March at 66.4 million pounds were up by 37.9 million pounds from February despite a marked decline in foreign donations exports. Shipments moved largely to the Netherlands (30 percent of the total), Pakistan (22), Morocco (17), West Germany (10), and Canada and Venezuela (4 each). Cumulative exports were down 25 percent from the first 6 months of 1961-62.

U.S. *cake and meal* exports in March reached a new monthly record of 222,000 short tons, up nearly one-fifth

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from those in February and about 15 percent above the previous record established in November 1962. Cumulative exports in the first half of the current marketing year were 55 percent above last year's comparable period.

Soybean meal accounted for 97 percent of the March shipments of U.S. cakes and meals. Destinations of these shipments with their percentages of the total were: Spain 23, France 14, the Netherlands 11, West Germany 9, Belgium and Canada 8 each, and Italy 6.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OIL-SEED CAKES AND MEALS, MARCH 1963

		March		Oct.-Mar.	
Item	Unit	1962 ¹	1963 ¹	1961-62 ¹	1962-63 ¹
Soybeans	Mil. bu.	11.0	14.4	93.0	105.4
Oil equiv.	Mil. lb.	120.7	157.7	1,020.9	1,157.7
Meal equiv.	1,000 tons	258.3	337.4	2,185.0	2,477.9
Edible oils:					
Soybean:					
Commer-	Mil. lb.	55.2	153.4	293.4	463.9
cial ²					
Foreign	do.....	18.5	6.2	119.8	40.1
donations ⁴					
Cottonseed:					
Commer-	do.....	18.5	63.3	214.0	183.8
cial ²					
Foreign	do.....	9.3	3.1	56.2	21.8
donations ⁴					
Total oils	do.....	101.5	226.0	683.4	³ 709.6
Cakes, meals:					
Soybean	1,000 tons	102.0	215.6	565.7	793.9
Cottonseed	do.....	.1	6.2	2.6	61.5
Linseed	do.....	(⁵)	(⁵)	11.7	33.8
Total cakes	and meals ⁶	102.1	222.0	580.2	897.7
and meals ⁶					

¹ Preliminary. ² Compiled from records of the Bureau of Census; includes Titles I, II, and IV, P.L. 480. ³ Includes 32,855,509 pounds exported to Spain but returned without being discharged. This figure is expected to be included in the March FT 110—Part 2, under "U.S. articles returned." ⁴ Title III, P.L. 480. ⁵ Less than 50 tons. ⁶ Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from records of the Bureau of Census and USDA.

India's Castor Bean Production Up Slightly

The final official estimate indicates that India's 1962-63 castor bean production was 113,100 short tons from 1,097,000 acres. This is 2 percent above the revised 1961-62 estimate of 110,890 tons, from 1,095,000 acres. The increase was due to favorable weather and better yields.

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